

Chapter 1

Islamic History

Islam is one of the world's three major monotheistic religions, the other two being Judaism and Christianity. All three share the same historical origins and hold many beliefs in common, a mutual reverence for the Old Testament prophets being among them. As in Judaism, Islam forbids the consumption of pork as well as other meat that has not been ritually killed (*halah*).¹⁷ Muslims recognise Jesus (Isa) as a prophet but reject the belief that he was the Son of God. Nor do they recognise the concept of the Holy Spirit, but insist instead on the unity of God (Allah), disavowing the Christian concept of the Trinity. They also reject the concept of original sin and the notion that there can be any intercessor between a person and God, since in Islam, each person is responsible for his or her own salvation which can be achieved through faith and good deeds, and by striving to keep God's law which is laid down in the Quran.

1.1 The Quran

The Quran is the holy book of Islam, containing revelations received by the Prophet Muhammad from God. It was revealed in the Arabic

¹⁷*Halal* — Islamically permissible, that which is lawful according to the Shari'ah. Although in absolute terms the same thing cannot be *halal* and *haram* (prohibited), an unclear and/or controversial issue in Islamic jurisprudence may end up with it being considered *halal* by some Islamic scholars and *haram* by others (www.iHilal.com).

language. Great importance is placed on the recital of the Quran and it is treated with reverence by all Muslims — one has to be ritually clean (*wudu*) to read the Quran.

1.2 The Five Principles of Islam

The word Islam is derived from the Arabic root *salema*, which means peace, purity, submission and obedience. In the religious sense, Islam means submission to the will of God and obedience to His law. It regulates relations between man and man, thus defining personal and social systems of obligation, and it also regulates relations between man and God and in this respect defines ritual obligation. For the Muslim there is no distinction between these two aspects of obligation; both are equally ordained.

Every solid structure or building is built on firm foundations and Islam is said to stand on “five pillars”, which are ordained by God and maintained by all true Muslims. The central tenet of Islam is, of course, belief in Allah as the one God and in Muhammad as His messenger. Regular prayer is also an important part of being a good Muslim and believers are required to pray five times a day — at dawn, midday, mid-way through the afternoon, after sunset and at night. In addition, every Muslim is expected to fast during the month of Ramadan, which is the ninth month of the Islamic calendar (a lunar calendar). At this time, adult Muslims who are in good health, may neither eat nor drink during daylight hours. It is also required that each year, a Muslim should give a defined proportion of his or her accumulated wealth to the poor and needy by way of a compulsory payment known as *zakat*. Finally, each Muslim who can afford it should make a pilgrimage to Mecca at least once in his or her lifetime. This pilgrimage is known as the *Haj* and can only be properly made at the time of *Eidul-Adha*, which comes around once a year according to the Muslim calendar. These are the five pillars of Islam to which every true Muslim

subscribes and which constitute the basic tenets of Islam as a religious institution.

1.3 The Mosque

The community mosque, or *masjid*, is the principal focus of Islamic worship. The first mosque was the house of the Prophet Muhammad at Medina. This was a simple rectangular enclosure with rooms for the Prophet and his wives and a shaded area on the south side which could be used for prayer in the direction of Mecca which is the birth-place of both the Prophet and the religion, Islam. Muhammad later built a pulpit or *minbar* from which to deliver his sermons and this basic formula became the archetype for subsequent mosques. The prayer hall or *musalla* is simply a large empty room with an alcove, or *mihrab*, in one wall which serves the purpose of indicating the direction of Mecca, which Muslims face as they pray. Save for the *minbar*, the internal space is kept clear with worshippers sitting on mats spread on the floor. Outside there are facilities for washing, since it is a requirement of Islam that believers be physically and mentally clean before prayer. The first minarets, from which the faithful are called to prayer, were introduced around the middle of the eight century. The mosque is not only a centre of religious worship, but also a place of learning, a community centre, and sometimes even a courtroom.

1.4 Muhammad and the Origins of Islam

According to Muslims, Islam is the original religion of the first prophets, such as Adam and Abraham, which was altered over the years, first by the Jews and then by the Christians, so that their holy books, the Torah and the Bible, no longer reflect the true word of God. For this reason, God sent a final prophet, Muhammad, and a final revelation, the Quran, as a last guidance to all mankind to follow the correct path.

Muhammad was born in Mecca in what is now Saudi Arabia, in AD 570, into a tribe known as the Quraysh who were prominent in the area at that time. Following the death of his father and mother, Muhammad was brought up, first by his grandfather, Abd al-Muttalib, and after his grandfather's death, by his uncle Abu Talib.

Tradition has it that from time to time, Muhammad retreated to a lonely cave on Mount Hira for solitude and contemplation. On one such occasion, during the month of Ramadan, he was shocked suddenly to find himself in the presence of the angel Gabriel who ordered him to recite the words embroidered on a length of green brocade. Fearing he had become possessed, he fled from the cave and reported the experience to his wife, Khadijah. She went to see her cousin, Waraqah, a wise Christian man, who assured him that the vision was genuine and that God had appointed Muhammad to be a prophet to his people. Gabriel began to appear to the Prophet on a regular basis, bringing revelations which Muhammad had to recite aloud. Gradually he began to gather around him a small band of followers, but the Quraysh did not take kindly to this new preacher who urged people to abandon the veneration of idols and worship only the one God, and they persecuted Muhammad and all who followed him — the merchants of Mecca were especially vigorous in their opposition to Muhammad because they objected to the criticism of their practices implicit in the Quran.

Finally, the persecution became so severe that Muhammad and his followers left Mecca and migrated to Medina where they were welcomed by the inhabitants. This was in AD 622 and the year of migration (*hijrah*) marks the first year of the Muslim calendar, which is represented by the letters "AH" (after *hijrah*). In the following years, Muhammad became established in Medina but he and his ever increasing band of followers had to fight many battles before they were able to overcome the opposition of the Quraysh and return to Mecca where the idols in the Ka'bah were destroyed and Islam was victorious.

1.5 The Spread of Islam

After the Prophet's death in AD 632, the leadership of the Muslim community passed to his great friend and companion, Abu Bakr, the first of the four "rightly-guided" Caliphs (successors of the Prophet). At that very moment in time, Islam was threatened with disintegration, but within a year, Abu Bakr was strong enough to attack the Persian Empire to the north-east and the Byzantine Empire in the north-west. In his *History of the Arabs*, Professor P. K. Hitti observes, "If someone in the first third of the seventh Christian century had the audacity to prophesy that within a decade some unheralded, unforeseen power from the hitherto barbarians and little known land of Arabia was to make its appearance, hurl itself against the only two powers of the age, fall heir to the one — the Sassanids, and strip the other, the Byzantine, of its fairest provinces, he would undoubtedly be declared a lunatic. Yet that was what happened."

During Abu Bakr's caliphate, and that of his successor, Omar, many further victories were gained over Byzantium and the Byzantine Empire was considerably reduced in extent by Muslim armies during the seventh and eighth centuries. It was under the next Caliph, Othman, that Islam began to spread southwards through Nubia into sub-Saharan Africa, as well as across the Straits of Gibraltar into the southern part of Spain (Al-Andalus). The Mediterranean islands of Crete, Cyprus and Rhodes were also occupied during this period.

Over the next five hundred years, Islam continued to expand through sub-Saharan Africa and Asia Minor, though the Moors in Spain were on the retreat from the twelfth century. The final defeat of Byzantium came in 1453 when the Greek Orthodox city of Constantinople (known today as Istanbul) fell to Ottoman Turks led by Mehmed II. At this point in time, the Islamic world stretched in a broad swathe across North Africa, through Asia Minor, to Afghanistan and Armenia, with outposts scattered along the maritime trade routes of South-east Asia — Sumatra, Java and the Spice

Islands of Tidore and Ternate. The Moors still had a foothold in southern Spain, but this would only be for another forty years; they were expelled in 1492.

1.6 The Golden Age of Islam

Bernard Lewis, author of *What Went Wrong? Western Impact & Middle Eastern Response*, notes that Islamic power was at its peak from the ninth through to the thirteenth century. At this moment in world history, Islam represented “the greatest military power on earth — its armies were at the same time invading Europe and Africa, India and China. It was the foremost economic power in the world [and] it had achieved the highest level so far in human history in the arts and sciences of civilization”. Damascus and Baghdad were the two great centres of learning during this “golden age” of Islam. Here, Muslim scholars assembled Greek manuscripts in large numbers — including the works by Plato, Aristotle, Pythagoras and the other great philosophers and scientists of ancient times — which they studied, translated and provided with illuminating commentaries. They also welcomed other scholars from around the world without distinction of nationality or creed. By the second half of the eighth century, all the best mathematical and astronomical work was done by Muslims, while Muslim cartographers led the way in terms of their knowledge of world geography and methods of cartographic representation.¹⁸ At the same time, schools, colleges, libraries, observatories and hospitals were built throughout the Islamic world.

At this time, the economy of the Islamic world stretched from the western end of the Mediterranean to India, but its influence extended far further as Muslim traders and merchant adventurers pursued their commercial activities to the limits of the known world.

¹⁸Ead, Hamed A., “History of Islamic science”, *The Alchemy Web Site* (www.levity.com), based on the book *Introduction to the History of Science* by George Sarton.

Baghdad, the capital, was also the largest city in the Muslim world, and as well as being a great centre of learning, it was famous for its superb craftsmen and artisans, skilled in metalworking, glassware and ceramics (the economy of Baghdad was largely artisan based). Sumptuous textiles of wool, cotton, linen and silk were also produced throughout the Islamic world — the carpet weavers in Persia, Azerbaijan and Bukhara were renowned far and wide, while Egypt was a leading centre for linens and cotton textiles.

This kind of economic specialisation would not have been possible without a high level of trade and commerce. Initially, trading privileges were restricted to Arab (Muslim) merchants, but subsequently other groups such as Jews enjoyed equal trading rights. Commodities were transported from one end of the known world to the other via well-established maritime and overland trade routes with harbours and caravanserais acting as the main centres of exchange and transshipment. The Arabic language and culture facilitated this trade around the Mediterranean and through the Middle East to India, but equally the pursuit of commercial activities beyond the boundaries of the Muslim world encouraged the spread of Islam to other parts of the world including China and South-east Asia. The actual timing and introduction of Islam to South-east Asia is still a matter of considerable academic debate. European historians have tended to argue that Islam was introduced to the region via trading contacts with India, but some South-east Asian Muslim scholars claim it was brought to the region directly from Arabia and the Middle East. A third faction argues that it was Muslim Chinese merchants who were responsible — Chinese ships had been present in Indonesian waters since the beginning of the Han dynasty (206 BC–AD 400) and possibly even earlier.¹⁹

¹⁹Russell, Susan, "Islam: A worldwide religion and its impact in South-east Asia", www.seasite.niu.edu.

1.7 Decline and Fall

The extraordinary enterprise represented by Muslim scholarship, science, religion and commerce probably reached its highest level of achievement at the end of the fifteenth century; the reversal since that time has been quite remarkable. From around the middle of the sixteenth century, Islamic learning began to be superseded by a dramatic growth of knowledge in the West. In this last respect, the Muslim world was actually a victim of its own success. The fall of Constantinople to the Turks in 1453 prompted a mass exodus of Byzantine scholars to Rome and other European centres of learning. They brought with them the learning of ancient Greece, which had been preserved in the libraries and universities of Byzantium, and thereby set in motion a process of intellectual reawakening which eventually culminated in the Renaissance, and it was the latter which ultimately brought about the eclipse of Islam as a world power.

One consequence of the Renaissance was a broadening of European horizons in terms of world geography; the great voyages of discovery at the end of the fifteenth century quite literally put Asia on the map and enabled Europe to challenge the Muslim hegemony of East-West trade. Vasco da Gama's arrival off the Malabar Coast of India, in 1498, marked the beginning of the end of the long-standing Muslim domination of trade in the Indian Ocean and beyond, though the battle was fiercely fought in the initial years. With the Portuguese conquest of Malacca in 1508, the fight was over. Little by little, Muslims began to lose out to the economic, technological and military advances of the West and the Islamic world entered into a long, slow process of decline, drawn out over centuries, culminating in colonisation by the West and the slicing up of the Ottoman Empire in the aftermath of the First World War.²⁰

²⁰Hussain, Jamila, *Islamic Law and Society*, 1999, pp. 11–23.

1.8 A Revival of Fortunes

The years between the two world wars represent perhaps the lowest point in the history of Islam, but with the conclusion of hostilities at the end of the Second World War marked the beginning of a revival of fortunes in the Islamic world, heralded by the emergence of independence movements in many Muslim countries then under colonial rule. These movements were inspired by the writings of prominent Muslim thinkers from the first half of the twentieth century such as Muhammad Abduh and Rashid Rida in the Middle East, and Maududi in India in the early 1900s. Muhammad Abduh distrusted the Westerners and discouraged parents from sending their children to schools run by missionaries; however, he was not opposed to Western science and technology *per se*, recognising their essential role in their lives and encouraged mastering such knowledge. A disciple of Muhammad Abduh, Rashid Rida supported the establishment of an Islamic state, emphasising the importance for Muslims to return to the basic principles of Islam, whilst empowering themselves with modern science so as not to fall behind the Western powers. Maududi did not believe that Muslims should be governed by a secular government and so rejected Western Imperialism.

The process of achieving independence was uneven. Egypt, for example, achieved nominal independence from Britain in 1922, but Britain retained enormous influence until the Free Officers' Coup under Gamal Abd al-Nasser deposed King Faruq in 1952. Syria achieved independence from France in 1946, Lebanon was granted the same from France in 1941, whilst Britain unilaterally left Palestine in 1948, leading to the creation of a political division between Israel and the Palestinians in the West Bank and Gaza. Full independence was granted to Jordan by the British in 1946 and Iraq became an independent state from the British in 1932. The Algerian war of independence won independence from France in 1962. The Kingdom of Morocco recovered its political independence

from France in 1956 and through subsequent agreements with Spain in 1956 and 1958, certain Spanish-ruled areas were returned to Morocco.

The nationalist regimes that came to power following independence from the Western mandates tended to maintain a tight control over their economies. Using a socialist economic model, countries like Egypt, Iraq, Algeria and Syria agreed to pool national resources and spend them centrally to spur economic development. One strategy adopted in the 1960s was import-substituting industrialisation (ISI). This was an attempt to build local industries that would create jobs, use local resources and allow countries to stop importing Western goods. To achieve this, Governments raised trade barriers and heavily subsidised infant industries (often owning them outright) in order to stimulate rapid economic development. Unfortunately, the ISI scheme failed when these industries became bloated, inefficient enterprises riddled with bureaucracy and corruption; they could not meet local demands and were a drain on national resources.

By the late 1970s, Egypt, under President Anwar Sadat, had abandoned the strategy of ISI in favour of *infitah*, which means opening up the economy to foreign investment. Other Muslim countries decided to follow suit and encourage foreign investment in order to stimulate their economies. Unfortunately the strategy of *infitah* has also been a disappointment. Much of the sought-after foreign investment has been in Western consumer goods and luxuries, like McDonald's and name-brand clothing, rather than in local industry. This importation of Western commodities and associated cultural values has done little to raise the general standard of living in the region. Instead, it tends to increase the cultural and economic gap between a wealthy class that has benefited from Western investment and adopted a more Western lifestyle, and a much larger population of the poor. Furthermore, many Muslims feel that the unrestricted importation of Western goods and cultural values challenges important social traditions and Islamic values. This is one factor in the rise of resentment against the West and the increasing popularity

of Islamic opposition groups that promise to restore cultural and economic independence to the region.

1.9 Middle-Eastern Oil

One of the most important factors in the revival of Islamic fortunes in the twentieth century has been the discovery of enormous oil deposits in the Middle East, a serendipitous event which coincided with increasing dependence upon oil in the West. Money from oil has created enormous opportunities for development in those countries where it is concentrated, such as Saudi Arabia, Kuwait, Bahrain, the United Arab Emirates, Qatar, Iraq, Iran and Algeria. States without significant oil resources have also benefited by sending labourers to work in the richer states. The money these workers send home has contributed significantly to the economies of places like the West Bank and Gaza, Egypt and Jordan.

Oil revenues, however, can be a mixed blessing. Iraq, for example, once used its oil wealth to provide a high level of education and health care to its population, among other benefits, but military expenditures during the Iran-Iraq War (1980–88) put a significant strain on Iraq's resources and led to a drastic reduction in social spending. Saddam Hussein's subsequent decision to invade Kuwait in 1990, the US-led bombing and the UN embargo on Iraqi oil that ensued, and the continued use by the government of oil revenues for military purposes have reversed many of the social gains that had been made earlier.

1.10 Islamic Nationhood in the Late Twentieth Century

The new realities of the second half of the twentieth century shifted the concerns of Muslim reformers from the simple issue of how to combat Western influences to the challenges of the setting up and governing a modern Islamic state. In the immediate post-colonial era it was clear that the message of the first generation of Islamic

reformers was no longer sufficient to reconstruct an Islamic revival, and the second generation of reformers were obliged to modify their message in order to accommodate the challenges of the home-grown political ideologies, namely nationalism, socialism and to a lesser extent, Western Liberalism. Different Muslim countries have responded in different ways, but throughout the Islamic world there has been a general revival of Islamic sense in the past quarter of a century.

Although the causes of Islam's resurgence vary by country and region, there are several common threads. Among these is a widespread feeling of failure and loss of self-esteem in many Muslim societies. Most Middle Eastern and North African countries achieved independence from colonial rule by the mid-twentieth century, but the expectations that accompanied independence were shattered by failed political systems and economies and the negative effects of modernisation. Overcrowded cities with insufficient social support systems, high unemployment rates, government corruption, and a growing gap between rich and poor characterised many of the newly independent Muslim nations. Modernisation also led to a breakdown of traditional family, religious and social values.

Once enthusiastically pursued as symbols of modernity, the Western models of political and economic development increasingly came under criticism as sources of moral decline and spiritual malaise. Consequently, many countries became disillusioned with the West, and in particular with the United States. The United States' support for authoritarian Muslim rulers who backed Westernisation, such as Iran's Mohammad Reza Shah Pahlavi, as well as America's pro-Israel policy, have only served to strengthen anti-Western feelings.

Israel's crushing victory over its Muslim neighbours in the 1967 Six-Day War became a symbol of this sense of failure. After defeating the combined forces of several Arab nations, Israel seized conquered territory from Egypt, Syria and Jordan. The loss of Jerusalem, the third holiest city of Islam, was particularly devastating to Muslims around the world.

1.11 The Iranian Revolution and After

A dramatic turning point was reached in 1979, when conservative clerical forces in Iran overthrew the Shah and established a theocratic system of government with ultimate political authority vested in a learned religious scholar, the Ayatollah Khomeini. The so-called Iranian Revolution greatly encouraged Muslim clerics and fundamentalists around the world and Islamic movements everywhere gained new impetus. Several countries, Malaysia among them, began to move towards a "re-Islamisation" of society, including the legal system, whilst still retaining a secular constitution.

The Islamic revival of the last quarter of a century has affected both the private and public lives of Muslims. Many Muslims have recommitted themselves to Islam's basic tenets by attending mosque, fasting, wearing Islamic dress, emphasising family values, and abstaining from alcohol and gambling. Publicly, the revival has manifested itself in the form of Islamic banks, religious programming in the media, a proliferation of religious literature, and the emergence of new Islamic associations dedicated to political and social reform.

As Islamic symbols, slogans, ideology and organisations became prominent fixtures in Muslim politics in the 1980s, Libya's Muammar Qaddafi, Pakistan's General Muhammad Zia ul-Haq, and other government leaders appealed to Islam in order to enhance their legitimacy and authority and to mobilise popular support. Movements in opposition to the government in Afghanistan, Egypt, Iran, Saudi Arabia and other countries did the same. Throughout the 1980s, Iran inspired anti-government protests in Kuwait and Bahrain, and helped create Islamic militias, such as Lebanon's Hezbollah (Party of God) and Islamic Jihad, both of which were involved in hijackings and hostage-takings. These acts, combined with the 1981 assassination of Egypt's president Anwar Sadat by religious extremists, contributed to the image of a monolithic radical Islamic "fundamentalist" threat to governments in the Muslim world and the West.

At the beginning of the twenty-first century, Islam remains a major presence and political force throughout the Muslim world. The question is not whether Islam has a place and role in society, but how best for it to assume that role. Whilst some Muslims wish to pursue a more secular path, others call for a more visible role of Islam in public life. The majority of Islamic activists and movements function and participate within society. A distinct minority are radical extremists who attempt to destabilise or overthrow governments and commit acts of violence and terrorism within their countries.

During the late 1980s and the 1990s Islamic political organisations began to participate in elections, when allowed, and to provide much-needed educational and social services in a number of countries. Headed by educated laity rather than the clergy, these Islamic organisations attracted a broad spectrum of members, from professionals and technocrats to the uneducated and poor. Candidates with an Islamic orientation were elected to high office in several countries. In Turkey, the leader of the Islamist Welfare Party held the office of prime minister from 1996 to 1997. In Malaysia, Anwar Ibrahim, a founder of the Malaysian Islamic Youth Movement (ABIM), served as deputy prime minister from 1993 until his dismissal in a power struggle in 1998. In the first democratic elections in Indonesia, Abdurrahman Wahid, leader of perhaps the largest Islamic movement, the Nahdlatul Ulama, was elected president in 1999. But popular support for him eroded as Indonesia's economic problems worsened, and he was removed from office in 2001.

Although the primary concerns of Islamic movements are domestic or national, international issues have also shaped Muslim politics. Among the more influential issues have been the ongoing Arab-Israeli conflict and Israel's occupation of East Jerusalem; the Soviet occupation of Afghanistan during the 1980s; the devastating impact of United Nations sanctions against Iraq following the Persian Gulf War (1991) and the consequent deaths of an estimated 500,000 Iraqi children; and forceful efforts to suppress Muslims in Bosnia, Chechnya and Kashmir. In addition, countries such as Iran,

Libya and Saudi Arabia have sought to extend their influence internationally by supporting government Islamisation programmes as well as Islamist movements elsewhere.²¹

Contrary to its reputation, Islamism is not a way back; as a contemporary ideology it offers not a means to return to some old-fashioned way of life but a way of navigating the shoals of modernisation. With few exceptions (notably, the Taliban in Afghanistan), Islamists are city dwellers trying to cope with the problems of modern urban life — not people of the countryside.²²

However, the traditional Islamists have been known to take to violence and the will to use violence does not need much provocation anymore. In 2001, the world saw the most extreme sort of violent Islamism, as Al-Qaeda performed some of the most dramatic non-war attacks on civilian targets the world has ever seen through the September 11 attacks which caused the collapse of the Twin Towers of New York, USA.²³

1.12 Islamic Banking and Islamic Revival

Nostalgia for this lost golden era of Islam between AD 625 and the early sixteenth century has been a strong impetus for Islamic banking. Another factor has been the imposition of Western-style banking on much of the Islamic world during the period of European colonial domination, which is still a source of resentment to this day. Individual Muslims have responded to the latter in different ways: some open interest-bearing accounts under the principle of *darura*, or overriding necessity; others open accounts but refuse the interest; still others opt for their mattresses. It was mostly this resentment,

²¹“Islamic fundamentalism”, Microsoft® Encarta® Online Encyclopaedia 2004, <http://encarta.msn.com> ©1997–2004 Microsoft Corporation.

²²Pipes, Daniel, “Islam and Islamism — faith and ideology”, *National Interest*, Spring 2000.

²³www.wikipedia.org.

which gave rise, in the 1940s, to the quasi-academic field known as Islamic economics — the first thorough studies devoted to the establishment of Islamic financial institutions.

Even with post-September 11 suspicions that Islamic banks may fund terrorist organisations, demand for the services of Islamic financial institutions is on the rise from the towers of Bahrain to the streets of London. Indeed, they represent one of banking's hottest sectors. The total assets managed by Islamic financial institutions are close to US\$300 billion, while Islamic equity funds and off-balance-sheet investment accounts are conservatively estimated between US\$15 billion and US\$30 billion.²⁴

Whilst Bahrain's Noriba is operating exclusively under Shari'ah principles, several others — HSBC, Citibank, Commerzbank and BNP Paribas — provide Shari'ah-compliant services along with conventional ones.

Drawing from the success of Islamic financial institutions in Bahrain, Egypt and Dubai, countries such as Malaysia and Indonesia have also identified the advantages in this largely untapped market and demand for Shari'ah-compliant banking and finance. The advantages have clearly outweighed the religious tag as evidenced by the interest of secular countries such as Britain and Australia.

²⁴Bachmann, Helena, "Banking on faith", *Time Europe*, 16 December 2002.